OFFICE OF DIRECTOR OF CENTRAL INTELLIGENCE LEGISLATIVE COUNSEL WASHINGTON, D.C. 20505 Mr. Michael J. O'Neil, Chief Counsel TO: Permanent Select Committee on Intelligence House of Representatives 23 August 1978 Mike: Attached for your information is a copy of our proposed letter to Chairman Boland on the matter of H.R. 12171. The draft, of course, does not necessarily represent a final or official position. I am ready to discuss it further with you at your convenience. Thank you for your help. Assistant Legislative Counsel Attachment

OLC #78-1736/F

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FORM 1533C

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PROPOSED AMENDMENTS OF THE CENTRAL INTELLIGENCE AGENCY TO H.R. 12171, THE "FEDERAL ACCOUNTING AND AUDITING ACT OF 1978"

- 1. In section 2 of H.R. 12171, insert the following in line 9, page 1, immediately following "(e)(1) ...": "Except as otherwise provided in paragraph (3) of this subsection, [n]...."
- 2. Add the following new paragraph (3) to section 2 of H.R. 12171, which would amend section 117 of the Accounting and Auditing Act of 1950, between lines 2 and 3 of page 3 of the bill, and delete the quotation marks and period from line 2:
 - "(3) Nothing in this section shall be construed as affecting the authorities contained in subsection 8(b) of the Central Intelligence Agency Act of 1949, as amended, Pub. L. No. 81-110 (63 Stat. 208, 50 U.S.C. 403j)."